



U.S. Immigration
and Customs
Enforcement

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News Release

INTERNET DISTRIBUTOR INDICTED FOR ALLEGEDLY IMPORTING COUNTERFEIT PHARMACEUTICAL DRUGS

Viagra and Cialis were among the drugs counterfeited and distributed

HOUSTON, Texas — A six-count indictment was unsealed today on a Shelton, Wash., resident for his alleged involvement in importing from China and distributing counterfeit pharmaceuticals, including Viagra and Cialis, announced U.S. Attorney Chuck Rosenberg and investigated by U.S. Immigration and Customs Enforcement (ICE).

ICE special agents arrested Richard Cowley, 52, Sept. 2 with a warrant issued following the return of a sealed indictment in the Houston Division of the Southern District of Texas. Cowley was released on bond by a federal court in Washington, and is scheduled to be arraigned today in federal court.

Cowley is accused of importing counterfeit pharmaceutical drugs bearing the trademarks of Viagra and Cialis from China into the United States without authorization of the registered holder of the trademarks. Viagra and Lipitor are prescription drugs exclusively manufactured and distributed by Pfizer Pharmaceuticals. Cialis is also a prescription drug exclusively manufactured by the Eli Lilly Corp. The indictment also charges Cowley with three counts of introducing into interstate commerce misbranded pharmaceutical drugs, including Viagra, Cialis and Lipitor tablets, and two counts of counterfeiting pharmaceutical drugs.

Under the Food Drug and Cosmetic Act, which regulates importing, delivering, distributing and receiving prescription drugs in interstate commerce, a prescription drug is deemed misbranded if its labeling is false or misleading in any particular manner. A prescription drug is deemed to be counterfeit if it bears a trademark without authorization of the registrant of the trademark.

These charges brought against Cowley result from an undercover ICE operation based upon information provided by the ICE Attaché office in Beijing, China, regarding an online Internet site "bestonlineviagra.com." The Internet site was allegedly owned and being used by Cowley to illegally distribute bulk quantities of counterfeit Viagra and Cialis manufactured in China.

According to allegations contained in the affidavit filed in support of a warrant to search Cowley's home in Washington State, the investigation led to a number of email conversations via an "msn.com" address provided by Cowley to the undercover agent, and ultimately led to the online purchases of counterfeit drugs. In June, the undercover agent ordered 1000 Viagra and 1000 Cialis tablets for \$3,650, and 20 milligram sample tablets of Lipitor in a bottle and blister pack with Pfizer labeling and packaging for \$100. The online order was delivered via FedEx in Houston, Texas. Laboratory analysis conducted by the Food and Drug Administration (FDA) of the Viagra and Cialis tablets obtained during the undercover operation proved to be counterfeit, that is, the drugs appeared to be genuine, but were not.

Following Cowley's arrest Sept. 2, ICE special agents searched his Shelton, Wash., residence on E. Bayshore Dr. The warrant authorized agents to seize computers and documents, and various other items indicative of Cowley's using an Internet website to receive orders for counterfeit pharmaceutical drugs, such as Viagra, Cialis, or Lipitor and to contact his suppliers in China to place the order.

Cowley's indictment and arrest resulted from a joint investigation led by ICE Houston, ICE Shelton, Washington, the ICE Attaché Office of Investigations in Beijing, China, and the FDA's Office of Criminal Investigations, with the assistance of the Pfizer and Eli Lilly pharmaceutical companies.

In conjunction with the investigation of Cowley in the United States, agents assisted officials from the Ministry of Public Security (MPS) and Public Security Bureau (PSB) in China to determine the source of the counterfeit pharmaceutical drugs. The joint investigation resulted in Chinese authorities arresting 11 individuals in China for manufacturing and distributing counterfeit Viagra, Cialis and Lipitor. The Chinese government will prosecute them. In addition to the arrests, Chinese officials searched five locations in Tianjin City and the Henan province of China. They seized: the equipment used to process counterfeit pharmaceuticals, 600,000 counterfeit Viagra labels and packaging, 440,000 counterfeit Viagra and Cialis tablets, and 260 kilograms of raw materials used to manufacture counterfeit pharmaceuticals.

For more information about counterfeit or mislabeled drugs consult the Food and Drug Administration's website at: www.fda.gov.

Conviction on each of the five counts alleging either the misbranding or counterfeiting of drugs carries a maximum penalty of three years in prison, without parole, and a \$10,000 fine. The importation charge carries a maximum penalty of 10 years in prison and \$250,000 fine.

The investigation is ongoing, and is being led by ICE Houston agents, and the FDA Office of Criminal Investigations. Assistant U.S. Attorney Samuel Louis, Southern District of Houston, is prosecuting this case.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.